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CONFIDENTIAL SEOUL 000849

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TAGS: PREL ECON KS KN

SUBJECT: ROKG TO RESUME SUSPENDED FLOOD AID

REF: A. SEOUL 795

¶B. 06 SEOUL 2828 ¶C. SEOUL 634

Classified By: POL M/C Joseph Y. Yun. Reasons 1.4 (b/d)

- ¶1. (C) SUMMARY: On March 22, ROK Vice Unification Minister Shin Eon-sang announced that the ROKG on March 28 would resume shipments of "emergency" aid to North Korea that was pledged following mid-July 2006 floods, but halted after the DPRK's nuclear test in October 2006. The remaining flood relief package includes 10,050 tons of rice, 70,415 tons of cement, 50 8-ton trucks, 60,000 blankets and 1,800 tons of rebar. This aid is the latest suspended North-South project turned back on following the February 13 "Initial Actions" agreement and the February 27 March 2 inter-Korean ministerial talks (ref a). While ROKG officials insist that inter-Korean cooperation remains tied to progress in the Six-Party Talks, particularly commitments of 300,000 tons of fertilizer and 400,000 tons of rice, today's announcement seems to be another effort to deliver as much as possible without upsetting that calculus. END SUMMARY.
- 12. (C) In a March 22 press briefing, ROK Vice Unification Minister Shin Eon-sang said that the ROKG on March 28 would resume "emergency" flood relief aid to North Korea, which was announced in August 2006 after mid-July floods (ref b). This relief program was later suspended after the DPRK's nuclear test in October 2006. Shin said that the undelivered relief package included 10,050 tons of rice, 70,415 tons of cement, 50 8-ton trucks, 60,000 blankets and 1,800 tons of rebar. Asked for further details, Unification Ministry Director for International Cooperation Kim Jung-ro told poloff that: the blankets would be shipped on March 28; the rice and trucks would be sent in early April; and the cement and rebar would be sent in April and May. According to press reports, the ROK in 2006 provided emergency flood aid of 80,500 tons of rice, 29,585 tons of cement, 50 trucks, 60,000 blankets and 1,800 tons of iron bars, worth around USD 230 million.
- 13. (C) Today's announcement is the latest resumption of stalled inter-Korean projects since the February 27 March 2 inter-Korean ministerial and the February 13 "Initial Actions" agreement (ref a). On March 21, the two Koreas resumed construction on a separated family reunion center at Mt. Kumgang. The center is a twelve-story building that the Koreas started in August 2005, but halted in July 2006 following the DPRK's missile launches. On March 16, the head of the ROK Red Cross, Han Wan-sang, announced that the ROK

would start sending 300,000 tons of fertilizer aid to the DPRK on March 27. He said that the ROKG would send the fertilizer in 50 shipments over a three-month period. On March 9, MOFAT counterparts had told us that the fertilizer would start to arrive approximately the same time as the 50,000 tons of heavy fuel oil, per the February 13 agreement, and could be terminated if the DPRK failed to fulfill its denuclearization commitments.

14. (C) On the immediate horizon is the fifth round of video family reunions on March 27 - 29. The two Koreas on March 30 are expected to hold working-level talks to discuss possible ROK equipment and medicine to help prevent the spread of foot-and-mouth disease in North Korea. In April, the ROKG is also expected to pledge 400,000 tons of rice to North Korea during April 18 - 21 Economic Cooperation Promotion Committee talks. However, in a March 5 readout of the inter-Korean ministerial, Unification Ministry officials stressed that because the April economic talks would follow the first 60-day phase of the "Initial Actions," the ROKG had, essentially, linked resumed significant rice aid to DPRK denuclearization progress (ref c).

COMMENT

15. (C) Today's pronouncement of resumed flood aid is another indication that Seoul is pulling out the stops to "normalize" inter-Korean relations and spur blocked inter-Korean projects. If the above dates hold up, it is entirely possible some assistance, such as rice and fertilizer, could head up North before the delivery of 50,000 tons of HFO. END COMMENT.

VERSHBOW